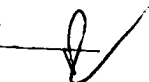


Declassified in Part - Sanitized Copy Approved for Release 2011/12/19 : CIA-RDP88G01117R000300830005-2

Jay 

Orig passed to C/S I believe they passed on down
to Mr. Kerr.

STAT



Declassified in Part - Sanitized Copy Approved for Release 2011/12/19 : CIA-RDP88G01117R000300830005-2

Executive Officer
Intelligence Community Staff

5/30

Jay -

Attached are the
requested talking points
and background material
for use at the SIG mtg
this afternoon.

John

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Next 1 Page(s) In Document Denied

Information Memo: The International Affairs Budget -
Where Do We Go From Here?

SUMMARY

The FY 1987 budget request for international affairs is in serious trouble. Both the House and Senate budget resolutions imply major shifts in our foreign assistance policies, the conduct of foreign relations and information/exchange programs. This memo reviews how we got into this situation and details a strategy for minimizing further damages to our interests between now and the final appropriations acts later this year. We will need to move quickly. White House involvement will be essential if we are to have any success at all.

BACKGROUND - How We Got Here

Our FY 1987 request for Function 150 was in trouble even before it was delivered to the Hill. The OMB guidance for FY 1987 and our budget proposal were based largely on the original FY 1986 request plus a small increase for inflation. Partly because the Continuing Resolution containing the foreign aid appropriations dragged into mid-December before passage,

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and partly because these levels continued to reflect Administration priorities, the guidance was never adjusted downward to account for the much lower actual foreign assistance appropriations and the subsequent sequestration for the 150 function overall. As a result, the \$22.6 billion FY 1987 budget proposal represented a 10 percent increase over FY 1986. In the new Gramm-Rudman atmosphere of fiscal austerity, and when compared with the drastic cuts and outright program eliminations being sought in the rest of the non-defense portion of the budget, it was clear that foreign aid and State operations - never very popular on the Hill under the best of circumstances - would suffer deep reductions from the request and possibly even from the already-low enacted baseline. Our position in testimony that the FY 1987 request was only a modest increase over our original FY 1986 proposal - which Congress sharply cut and sequestration reduced further - has never enjoyed much support.

As the Congress began considering the budget as a whole, it became clear that Function 150 would be a hostage to the larger debate over defense, domestic spending and taxes. Even before the request was made public, the Senate Foreign Relations Committee held a closed-door session with senior Administration figures and warned against increases of the kind being

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discussed. At Secretary Shultz's appearance before the Senate Budget Committee, Chairman Domenici pleaded with him to intervene with the President on the issues of revenue enhancement and modified defense growth. Only through such compromise, he said, could he hold the line on cuts in the 150 Function and keep us straightlined at current levels. More radical was the approach Chairman Obey took during Secretary Shultz's appearance before the Foreign Operations Subcommittee of the House Appropriations Committee. He asked the Administration to resubmit the entire foreign aid request; otherwise, he threatened to report out a bill that would gut foreign assistance except for Israel and Egypt.

During this period, White House strategy dictated that we steadfastly support the entire request. Whereas in previous years this Administration had always negotiated backstage compromises with Senate Republicans, this year the approach was to stand back, let the congressional budget process disintegrate into gridlock, and then work in the appropriations committees to strike acceptable deals. Unfortunately, the Senate's passage of a budget resolution last month derailed this strategy. Secretary Shultz has attracted considerable attention to our plight in his recent statements. Now we must work to limit any further damage to our foreign policy interests.

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The Numbers - A Damage Assessment

The methodology used by the budget committees began with the "CBO Freeze Base" (representing FY 1986 enacted levels post-sequester) from which they made adjustments up or down. For Function 150, every adjustment went down with the exception of the allowances made for the Inman Diplomatic Security Initiative. The House Budget staff assumed virtual full funding for Inman, in accordance with the recommendation of the House Foreign Affairs Committee. The Senate, however, made a major reduction in the Inman proposal for FY 1987, allowing only about a third of our request and also leaving no allowance for the carryover outlays associated with the FY 1986 supplemental for Embassy security. Given the likelihood that the supplemental will pass (albeit at less than our request), the effect will be that the supplemental will use up more than the FY 1987 outlays available for the security program activity under the Senate mark, leaving no outlays to accommodate the FY 1987 portion of the program. A CBO scoring assumption that placed the Administration's proposal for the Export-Import Bank ("I-Match") back on budget adds further pressure to the 150 function.

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Our problem is that except for USIA and the Board for International Broadcasting (BIB), virtually everything else in the Senate version is superior to the House version. Excluding the differences on Inman, the Senate allows about \$1.5 billion more than the House for the rest of the function.

The Budget Conference

With this in mind, we should support a budget conference goal of obtaining the higher of the two levels for each account plus some additional outlays for Inman and relief for USIA and BIB since each is below the freeze base in both resolutions. This means we would be seeking a 150 total larger than the Senate mark. Senate Budget Committee staff advise that such an outcome could probably arise only in the context of an Administration willingness to go along (at least tacitly) with the revenue enhancements contained in the Senate bill. Failing that, higher outlays for Inman would have to come from within Function 150. We would need to determine how much outlay headroom we need for Inman, identify our preferred 150 source for these outlays, and work to influence conferees accordingly. House Democrats are certain to target security assistance as a source of any additional outlays for Inman.

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The 302(b) Crosswalk

Once (or if) a final budget resolution is completed, we will need to follow the allocation of ceilings to the appropriations subcommittees very carefully. The relevant subcommittees for Function 150 are Foreign Operations; Commerce, State and Justice; and Agriculture. We understand that the Budget Committee staffs have agreed not to publish sub-function detail of the final 150 mark, supposedly to facilitate the House's acceding to the Senate on security assistance levels with minimum embarrassment. The problem with this is that it will encourage, even more than usual, Jamie Whitten's penchant for dipping into 150 to increase the allocation to the Agriculture subcommittee. We must seek as fair a 302(b) crosswalk as possible. To do this, we need to learn what guidance the Budget Committees give the Appropriations Committees concerning subcommittee allocations. Cabinet members and possibly the President might then contact Whitten and senior House leadership figures to ensure a fair treatment for 150 accounts. Our problem in the Senate is less severe, but we will need to lobby Chairman Hatfield to do the same.

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In the Subcommittees

Once the 302(b) allocation process is complete, our efforts will be focused on the three appropriations subcommittees with jurisdiction over 150 accounts.

Foreign Operations - the House side will move first; in fact, Obey had hoped to mark up on May 21, but the absence of a firm 302(b) caused even the other Democrats to recommend postponement. Obey will move quickly after the budget conference concludes, and can be expected to go ahead anyway if the conference stalls. He has threatened to produce a bill limited to Israel, Egypt and a few other "popular" programs such as Peace Corps, maintaining that anything more would be impossible to bring to the floor. Obey's agenda is in fact much broader than his foreign operations portfolio; he is basically using foreign aid as a vehicle to force the White House to compromise on defense and tax issues. We cannot expect a very favorable treatment in this subcommittee, but we must work to ensure a mark which, in the aggregate, equals the 302(b) allocation. We would then work to improve the mix between economic/military and multilateral/bilateral in conference.

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On the Senate side, we will work with more sympathetic members and staff; however, Chairman Kasten may be less able to be as helpful as he has been in the past, given that he is up for re-election. Nevertheless, working with Kasten, Inouye and other supporters on this subcommittee, we will try to structure a bill designed to counter Obey in conference.

Commerce, State and Justice - once the 302(b) process is complete, we should work to keep 150-derived allocations from going to Commerce or Justice programs. On the Senate side, Chairman Rudman may be tempted to use any additional Inman funds for Justice's prison programs. At the right time, we may want to approach him (and Ed Meese) to safeguard the 150 accounts. Meanwhile, USIA and BIB are each below freeze levels in both House and Senate levels; we may need to lobby appropriators to help BIB avoid outright bankruptcy; BIB has a particularly severe funding problem resulting from exchange rate losses and must have as much as 50 percent more than the FY 1986 appropriation to continue operations in FY 1987.

Agriculture - PL 480 is usually our least difficult account, although this year the funding levels are under more pressure than usual. However, commodity price reductions may ease the problem.

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Alternate Approaches

All of the above assumes the budget and appropriations process moves along in predictable fashion and, of course, it never does. If the budget conference bogs down, it would be prudent for us to seek some sort of government-wide omnibus appropriation or continuing resolution, from which we might be able to obtain better mark-up levels than we would under separate appropriation acts.

If the process seriously stagnates, the Gramm-Rudman sequester machinery would engage and we would be reduced by a fixed percentage across the board from our FY 1986 post-sequester levels. Current estimates of the likely sequester hover around 7 to 10 percent. Such an outcome might be beneficial to foreign aid accounts, but it would be devastating for State operations and Inman, not to ~~maintain~~
MENTION
defense.

This gloomy budget picture may have one small silver lining. Over the years, our foreign aid and State Department operating legislation have acquired a host of cumbersome and restrictive earmarks and spending limitations. Our situation is becoming so desperate that the time is ripe to start

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challenging these congressional mandates as a way of freeing up resources. We should give serious consideration to breaking some of the more egregious earmarks or in setting percentage limits on the amount of aid that any one country or functional program can receive. At a minimum this will draw rapid congressional attention to the nature of our plight.

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Drafted: State/T:RBoyce 5/28/86 X77888

Clearances:

**State/M - RFeldman
State/H - MJohnson
State/E - SBrown
State/EB - DRyan
AID/LEG - KKannerer
AID/PPC - JHunnon
USIA - SSilverman
BIB - PSchleuter
OMB - PDuSault
NSC - SFarrar**

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29-May-86

FY 1987 INTERNATIONAL AFFAIRS BUDGET - SUMMARY

1

(BA in millions of dollars)	FY 1987 Request	FY 1987 Senate	FY 1987 House
	-----	-----	-----
151: Foreign economic and financial assistance	4,893	4,327	3,692
-----	-----	-----	-----
--of which :			
Multilateral Banks & Int Orgs	1,578	1,640	1,146
Agency for International Development	2,098	1,805	1,624
PL 480	1,164	940	1,030
152: International security assistance	11,272	8,989	8,266
-----	-----	-----	-----
--of which :			
Foreign military sales (FMS)	5,661	3,967	4,043
Military assistance (MAP)	996	848	609
Economic support fund (ESF)	4,094	3,547	2,887
153: Conduct of Foreign Affairs	3,830	2,785	3,275
-----	-----	-----	-----
--of which :			
State Dept Operations (net of Inman)	1,810	1,715	1,642
Inman Diplomatic Security Initiative	1,394	491	1,071
154: Foreign Information and Exchange Activities	1,129	847	901
-----	-----	-----	-----
--of which :			
Board for International Broadcasting	168	88	94
USIA Operations	962	759	807
155: International financial programs	1,511	911	1,289
-----	-----	-----	-----
--of which :			
Export-Import Bank - Appropriation	0	1,062	1,062
Export-Import Bank - Adjustments	0	(1,062)	(684)
Export-Import Bank - Account total	0	0	378
Adjustments		(3)	(423)
TOTAL FUNCTION 150	22,636	17,856	17,000
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12TH STORY of Level 1 printed in FULL format.

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May 23, 1986, Friday, Final Edition

SECTION: First Section; A29

LENGTH: 479 words

HEADLINE: Shultz's Foreign-Aid Plea Leads to Stiff Exchange;
Committee Members Fault the President

BYLINE: By Joanne Omang, Washington Post Staff Writer

KEYWORD: AID

BODY:

Secretary of State George P. Shultz had a stiff exchange yesterday with members of the House Foreign Affairs Committee over his drive for additional foreign aid funding.

Shultz prolonged a scheduled photo session before a closed meeting to repeat for the cameras his assertion that recent votes by the House Budget Committee and the Senate are \$7 billion to \$7.8 billion short of the amount needed to meet U.S. commitments abroad. Last week Shultz said he would "drop everything" to concentrate on getting more funds for foreign aid.

Led by Chairman Dante B. Fascell (D-Fla.), committee members "told him he was preaching to the choir," according to a staff member who was present. The aide said Shultz replied: "I just want you to sing louder."

"We said we were willing to help, but that the president had left us with few options because of Gramm-Rudman the balanced budget law and his refusal to support new revenues," said Rep. Robert G. Torricelli (D-N.J.), a committee member. "Our view was that there was a failure of presidential leadership and that Shultz was in no position to complain to us."

He said Shultz was "speaking out of frustration, and we responded in frustration."

Shultz has asked for \$22 billion for foreign aid, State Department operations and diplomatic security improvements in fiscal 1987, but the House Budget Committee has allocated \$17 billion and the Senate budget resolution called for \$17.8 billion.

Fascell reminded Shultz that his committee had warned the State Department in February that budget restrictions would hurt foreign aid, "but we didn't get much help" in calling President Reagan's attention to the problem.

Rep. Daniel A. Mica (D-Fla.) reminded Shultz that the House committee had authorized "every penny" he had asked for, even though citizens' meetings in Mica's district indicated more concern about cuts in Medicare than in foreign aid. The House Budget Committee and the Republican-controlled Senate cut the measure, Mica noted.

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Shultz did not indicate whether he would relay the members' points to Reagan, Torricelli said.

Senate Foreign Relations Committee Chairman Richard G. Lugar (R-Ind.) led the move last week to halve Shultz's request for funds to improve the security of diplomatic buildings abroad. He called that action an attempt to preserve the central parts of the plan from a Senate floor fight in which foreign assistance has few friends. He also met with Shultz and Budget Committee Chairman Pete V. Domenici (R-N.M.) in an effort to get additional funds for foreign aid.

Lugar aide Mark Helmke said the senator thinks that Shultz was "leading with his chin" in continuing to push for the full amount he requested. "The problem now is that many members are using foreign aid either to get a tax increase or to get Defense Department decreases," he said. "It's become a bargaining chip."

42ND STORY of Level 1 printed in FULL format.

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May 14, 1986, Wednesday, Final Edition

SECTION: First Section; A21

LENGTH: 804 words

HEADLINE: Defense Torpedoes Foreign Aid Request;
Hill's GOP Leadership Rankled By White House Intransigence

BYLINE: By Joanne Omang, Washington Post Staff Writer

KEYWORD: DFENSE

BODY:

A Reagan administration effort to wring more foreign aid funding out of Congress apparently was derailed yesterday by Republican legislators' annoyance over continued White House refusal to trim defense spending.

Republican leaders, emerging from a morning White House strategy session on the fiscal 1987 budget, said they went prepared to hear a plea from President Reagan and Secretary of State George P. Shultz for another \$550 million for beefed-up security at U.S. facilities worldwide and more aid to the Philippines. Shultz already was armed with a Democratic commitment if a bipartisan agreement could be worked out.

Instead, according to several of those present, the meeting bogged down on the administration's insistence on having \$4 billion more in defense funds than the Senate has allocated.

Sen. Pete V. Domenici (R-N.M.), chairman of the Senate Budget Committee, "got to talking about having to face reality on defense . . . it got to be a squabble [with Defense Secretary Caspar W. Weinberger] and nothing was resolved," said Rep. William S. Broomfield (R-Mich.), ranking minority member of the House Foreign Affairs Committee. Shultz did not bring up the foreign aid issue.

"We need the leadership of the White House if this [foreign aid increase] is going to be approved, but it was not discussed at what is a crucial time," Broomfield said.

"Shultz missed a golden opportunity, in spite of all his talk," one key House staff member said, referring to Shultz's weekend promise to "drop everything" to rescue his \$22.6 billion foreign aid and State Department package. Shultz argued to reporters Sunday that U.S. foreign policy commitments will be drastically undermined if Congress sticks by its preliminary funding decisions.

As a result of yesterday's impasse, the House is expected to pass a budget today that will provide \$5.6 billion less than the administration request, which could mean cuts of 40 percent to 60 percent in security assistance for nations other than Israel and Egypt, the aide said. The Senate budget resolution passed last week would allocate \$17.8 billion, still \$4.8 billion short of the administration target.

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Other officials said Shultz also could not find time for a proposed meeting on the situation with Rep. Dante B. Fascell (D-Fla.), chairman of the House Foreign Affairs Committee, House Minority Leader Robert H. Michel (R-Ill.) and Majority Leader James C. Wright Jr. (D-Tex.).

Fascell, who warned last February that looming fund cuts could decimate the administration's policies, yesterday offered Democratic support for a rule that would allow the administration to propose a foreign aid increase in today's debate. But the Rules Committee did not hear from the administration.

Shultz did raise the issue with Domenici later in the day in Domenici's office.

Domenici said he responded that "you can't cut everything, raise that and still have no revenues added to the pot." But he did promise to defend the Senate-passed foreign aid outlay figures -- \$400 million higher than the House allocation -- when the measure comes to a House-Senate conference.

Shultz repeated his call for further help to the Philippines yesterday, noting that President Corazon Aquino "inherited a real mess" from ousted president Ferdinand Marcos. "There are real problems and they do need help," he said on NBC's "Today" show.

Shultz said the administration would help in an international effort to raise \$2 billion for Aquino's government, "and we'd like to get them more money from here, but the congressional picture . . . just doesn't seem to allow that."

Neither the Senate resolution nor the House Budget Committee spelled out funding levels for various countries or most State Department programs. But it is all but guaranteed that \$5.3 billion will go to Israel and Egypt.

It is likely -- but by no means certain -- that another \$2.5 billion will be assigned to nations where there are U.S. military bases (Greece, Turkey, Spain, Portugal and the Philippines), \$666 million to Pakistan and \$1.3 billion to Central America, all meeting the administration's requests. These programs have been close to sacred, but aid critics have threatened to cut them this year. They also tacked on \$1 billion for the Export-Import Bank that the administration had zeroed out.

After that \$11 billion or so, the figures diverge widely. The Senate would provide about \$6.7 billion and the House committee about \$6 billion for everything else, programs that the administration says require \$12.6 billion. These include aid to all other nations, international banks, the Peace Corps, narcotics control, the United Nations and all State Department functions, including a proposed \$1.1 billion start on the embassy security program that everyone has agreed is a top priority.

GRAPHIC: Charts 1 and 2, FOREIGN AID: Where the Dollars Go. The Washington Post; THE CRUX OF THE DISPUTE

53RD STORY of Level 1 printed in FULL format.

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May 12, 1986, Monday, Final Edition

SECTION: First Section; A7

LENGTH: 438 words

HEADLINE: Shultz Faults Tentative Budget Cuts

BYLINE: By Don Oberdorfer, Washington Post Staff Writer

DATELINE: MOFFETT NAVAL AIR STATION, Calif., May 11, 1986

KEYWORD: SHULTZ

BODY:

Secretary of State George P. Shultz said today that tentative cuts made by Congress in State Department and foreign assistance budgets represent "a tragedy for United States foreign policy" that would sap U.S. influence around the world.

Shultz, en route home from a 17-day trip including the Tokyo summit and visits to South Korea and the Philippines, said he may have to "drop everything else" to rescue the foreign affairs budget from the congressional ax.

Speaking to reporters as his U.S. Air Force plane traveled from Hawaii to California, Shultz said the initial ceilings imposed by the Senate and House budget actions would require closing many U.S. diplomatic posts abroad and sharp cutbacks in U.S. aid that would create an international perception that "the United States is withdrawing from the world."

Shultz seemed particularly irate at big cutbacks voted by congressional committees in the unprecedented \$4 billion program for improving the security of U.S. embassies against terrorist attacks.

The administration asked for \$1.4 billion in fiscal 1987 for the embassy security program, which includes major alterations or new construction at many posts deemed vulnerable. This sum was cut to \$491 million by Senate action and \$1.1 billion by House committee action, according to Shultz.

"One of these days there'll be another tragedy at some embassy" and lawmakers will accuse him of being "derelict" because people were killed, Shultz said. But he will point the finger back, he said, and tell Congress, "You are derelict in your duty, because you wouldn't appropriate the money to provide for the security of people who are living constantly under threat."

Shultz's aides emphasized his statement about the responsibility for potential cuts in the embassy program by handing out copies of the above quotation following his airborne news conference.

Shultz had expressed increasing concern about budget cuts during his Asian trip and had a long telephone discussion from Manila with Rep. William H. Gray III, chairman of the House Budget Committee, during the committee markup.

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In the foreign aid portion of the budget being fashioned on Capitol Hill, the probable full funding of \$5.3 billion in proposed assistance to Israel and Egypt would leave room for little or no aid under a sharply reduced ceiling for large parts of Africa, South America and the Caribbean, and may require drastic cutbacks in the U.S. contribution to multilateral banks and international organizations, according to Shultz.

This "will be felt everywhere" in ways damaging to the U.S. position in the world, Shultz said.

29-May-86

FY 1987 INTERNATIONAL AFFAIRS BUDGET - SUMMARY

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Adjustments		(3)	(423)
TOTAL FUNCTION 150	22,636	17,856	17,000
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Budget resolutions would cut aid to longtime U.S. friends

By Bill Kritzberg
THE WASHINGTON TIMES

More than 100 countries around the world will suffer American aid losses ranging from military assistance to surplus food if Congress holds to budget resolutions that Secretary of State George Shultz says will cut U.S. foreign policy "off at the knees."

Priority countries will be least affected. These include "vital interests" like Egypt, Israel, Pakistan and Central America, and the so-called "base countries" — Spain, Turkey, Greece, Portugal and the Philippines.

But traditional friends like South Korea, Tunisia and Jordan, fledgling democracies in South America and famine-stricken countries in Africa could get nothing.

President Reagan requested \$22.6 billion for the 1987 foreign affairs budget. The Senate voted \$17.85 billion and the House \$17 billion — cuts of 21 percent and 25 percent, respectively.

The original budget request would have reserved \$10 billion for the priority countries, leaving \$12.6 billion for the rest of the world. The House and Senate, however, earmarked roughly \$11 billion for the priority countries — a billion or so more than President Reagan asked for — while cutting the rest of the allocations to some \$6 billion.

This figure includes the State Department operations budget, so the amount channeled into foreign aid actually would be much less. The aid figure will be determined by appropriations subcommittees later in the budget process.

The budget cuts pose what one State Department official called "hellish" choices: "Do we lowball Spain so that we can keep two or three programs going in Africa?"

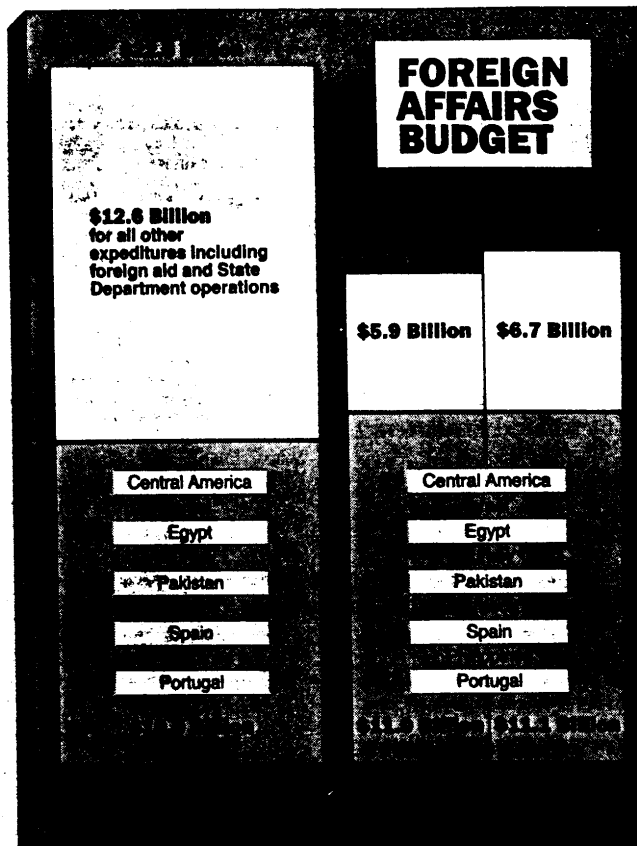
While U.S. foreign aid has always been heavily weighted in favor of the priority countries — which are determined by a consensus of Congress and the administration — the United States has important interests in many non-priority countries.

South Korea, for example, plays host to 40,000 American troops and received \$230 million in U.S. aid last year. But it is not regarded priority because the South Korean economy is relatively healthy and is not a "base rights" country.

The State Department makes a distinction between countries where American troops are stationed — even though they obviously live on bases — and those with whom the United States has formal base agreements that require annual payments.

Theoretically, a traditional friend like South Korea could get nothing. But State Department spokesman Charles Redman said funding low-priority countries would be more a matter of "squeezing your requirements in half."

This could affect foreign policy initiatives in countries like Mozam-



The Washington Times

bique, whose Marxist regime currently receives U.S. aid because Washington would like to exert more influence there.

The cuts will make it difficult, according to State Department spokesman Michael Austrian, "for Jordan to make economic progress." Bangladesh and certain African countries could be devastated. And a loss of American aid in Chad could tip the balance in favor of Libyan-backed rebels pressing the Ndjamena government.

"Not a single country in Africa falls under the high-priority rubric," said a State Department official. "You have all the rest of South America. The same is true for other regions, such as Southwest and East Asia."

Foreign aid is broken down into three main components: Economic Support Funds (ESF) or economic aid, the Military Assistance Program (MAP), which covers military grants, and Foreign Military Sales (FMS) or military credits. In addition, Development Assistance covers a specific set of projects financed by the United States abroad.

State Department officials say certain programs are likely to be gutted, such as the International Military Education and Training program (IMET), which benefits po-

lice and military forces in 21 countries. And certain regions, such as Africa, probably will get little or no aid.

Last year, a relatively "good year" for foreign aid in State's estimation, the Sudan suffered a 50 percent cut in its allocation and received only \$60 million of the \$120 million requested. It could get nothing this year, even though the United States is trying to convince the Sudanese government that it is a better friend than Libya.

Israel, on the other hand, is considered a "vital interest" and is scheduled to get \$3 billion this year. By the same token, Egypt will get \$2.3 billion, Turkey \$794 million, Pakistan \$666.4 million, Greece \$50 million, Spain \$415 million, the Philippines \$378.4 million and Portugal \$224.5 million.

The budget cuts are particularly galling to the State Department because it had requested a 10 percent increase over last year.

"The secretary's feeling," said an official, "is that foreign assistance is a victim of the numbers game. We're going to have foreign policy problems. We're going to have trouble meeting our commitments in the strategic areas. We're going to reverse the progress we've made in the past few years."

THE FEDERAL PAGE

Wash Post 14 May '86

Defense Torpedoes Foreign Aid Request

FOREIGN AID: WHERE THE DOLLARS GO

IN THOUSANDS OF DOLLARS

This chart, based on information from the Agency for International Development, shows actual U.S. economic and military assistance awarded to foreign countries in fiscal year 1985, the last year for which such expenditures are available. The countries are listed by the appropriate AID Regional Bureau. Numbers are in thousands of dollars.

The totals include funds awarded under the following programs: Development Assistance, Economic Support Fund, Food for Peace, Peace Corps, Narcotics Control, Foreign Military Sales, Military Assistance Program and the International Military Education and Training Program.

—James Schwartz

COUNTRY	TOTAL	COUNTRY	TOTAL
African Bureau		Brazil	750
Sudan	\$253,220	Uruguay	100
Somalia	104,869	Venezuela	96
Liberia	81,153	Guyana	80
Kenya	78,449	Barbados	69
Zaire	67,734	St. Vincent	56
Zambia	50,000	St. Lucia	48
Senegal	47,196	Antigua	44
Zimbabwe	36,214	Bahamas	42
Niger	32,793	Suriname	41
Mali	32,096	Dominica	39
Mozambique	30,000	Trinidad and Tobago	26
Cameroon	27,406	St. Kitts-Nevis	22
Malawi	26,979	Additional Regional Funds	253,410
Rwanda	21,667	Total	\$2,122,566
Botswana	21,227		
Chad	20,717	Asia/Near East	
Madagascar	19,680	Israel	\$3,350,000
Ghana	17,041	Egypt	2,479,883
Lesotho	16,204	Turkey	879,490
Mauritania	15,463	Pakistan	638,013
Guinea	11,722	Greece	501,366
Burkina Faso	10,855	Spain	414,926
Sierra Leone	9,856	Philippines	269,676
Uganda	7,946	Korea	231,943
Djibouti	7,576	Portugal	207,959
Togo	7,307	Bangladesh	198,874
Mauritius	7,000	India	176,049
Gambia	6,354	Morocco	150,096
Burundi	6,035	Indonesia	147,020
Central African Republic	4,136	Thailand	140,310
Ethiopia	3,909	Tunisia	96,577
Tanzania	3,278	Sri Lanka	65,121
Guinea-Bissau	3,004	Oman	60,155
Cape Verde	2,795	Nepal	46,955
Seychelles	2,472	Burma	21,791
Benin	2,124	Yemen	20,669
Gabon	1,931	Lebanon	19,480
Equatorial Guinea	1,071	Cyprus	15,000
Congo	1,000	Malaysia	4,981
Comoros	400	Fiji	2,484
Ivory Coast	161	Micronesia	2,361
Additional Regional Funds	110,792	Madives	1,522
Total	\$1,220,547	Western Samoa	1,166
		West Bank	1,373
Latin America/Caribbean		Solomon Islands	382
El Salvador	\$561,076	Papua New Guinea	371
Honduras	282,571	Gaza	679
Costa Rica	216,049	Tonga	648
Dominican Republic	178,699	Alghanistan	543
Jamaica	164,624	Kiribati	227
Guatemala	98,124	Yugoslavia	96
Panama	79,411	Algeria	64
Peru	70,035	Singapore	50
Ecuador	58,604	Austria	49
Haiti	55,021	Tuvalu	34
Bolivia	44,135	Fiji (inland)	32
Belize	24,730	Iceland	22
Colombia	11,476	Additional Regional Funds	49,334
Grenada	11,191	Total	\$10,390,848
Mexico	9,896		
Paraguay	2,078		

Hill's GOP Leadership Rankled By White House Intransigence

By Joanne Omang
Washington Post Staff Writer

A Reagan administration effort to bring more foreign aid funding out of Congress apparently was derailed yesterday by Republican legislators' annoyance over continued White House refusal to trim defense spending.

Republican leaders, emerging from a morning White House strategy session on the fiscal 1987 budget, said they went prepared to hear a plea from President Reagan and Secretary of State George P. Shultz for another \$550 million for beefed-up security at U.S. facilities worldwide and more aid to the Philippines. Shultz already was armed with a Democratic commitment if a bipartisan agreement could be worked out.

Instead, according to several of those present, the meeting bogged down on the administration's insistence on having \$4 billion more in defense funds than the Senate has allocated.

Sen. Pete V. Domenici (R-N.M.), chairman of the Senate Budget Committee, "got to talking about having to face reality on defense... it got to be a squabble [with Defense Secretary Caspar W. Weinberger] and nothing was resolved," said Rep. William S. Broomfield (R-Mich.), ranking minority member of the House Foreign Affairs Committee. Shultz did not bring up the foreign aid issue.

"We need the leadership of the White House if this [foreign aid increase] is going to be approved, but it was not discussed at what is a crucial time," Broomfield said.

"Shultz missed a golden opportunity, in spite of all his talk," one key House staff member said, referring to Shultz's weekend promise to "drop everything" to rescue his \$22.6 billion foreign aid and State Department package. Shultz argued to reporters Sunday that U.S. foreign policy commitments will be drastically undermined if Congress sticks to its preliminary funding decisions.

As a result of yesterday's impasse, the House is expected to pass a budget today that will provide \$5.6 billion less than the administration request, which could mean cuts of 40

percent to 60 percent in security assistance for nations other than Israel and Egypt, the aide said. The Senate budget resolution passed last week would allocate \$17.8 billion, still \$4.8 billion short of the administration target.

Other officials said Shultz also could not find time for a proposed meeting on the situation with Rep. Dante B. Fascell (D-Fla.), chairman of the House Foreign Affairs Committee, House Minority Leader Robert H. Michel (R-Ill.) and Majority Leader James C. Wright Jr. (D-Tex.).

Fascell, who warned last February that looming fund cuts could decimate the administration's policies, yesterday offered Democratic support for a rule that would allow the administration to propose a foreign aid increase in today's debate. But the Rules Committee did not hear from the administration.

Shultz did raise the issue with Domenici later in the day in Domenici's office.

Domenici said he responded that "you can't cut everything, raise that and still have no revenues added to the pot." But he did promise to defend the Senate-passed foreign aid outlay figures—\$400 million higher than the House allocation—when the measure comes to a House-Senate conference.

Shultz repeated his call for further help to the Philippines yesterday, noting that President Corazon Aquino "inherited a real mess" from ousted president Ferdinand Marcos. "There are real problems and they do need help," he said on NBC's "Today" show.

Shultz said the administration would help in an international effort to raise \$2 billion for Aquino's government, "and we'd like to get them more money from here, but the congressional picture... just doesn't seem to allow that."

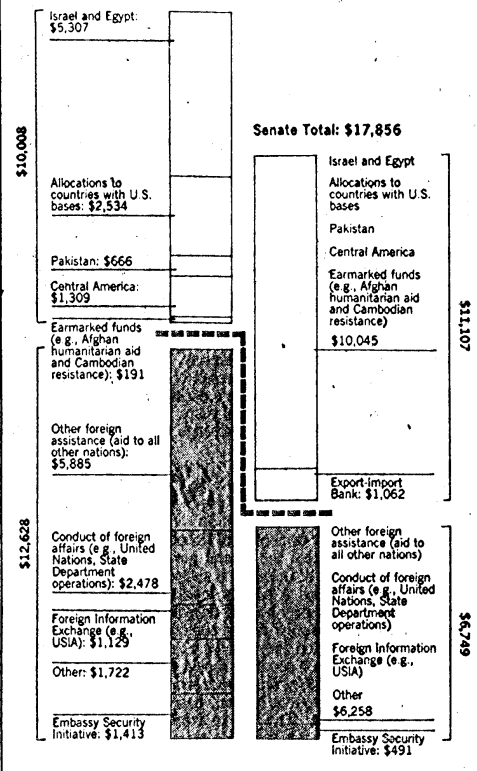
Neither the Senate resolution nor the House Budget Committee spelled out funding levels for various countries or most State Department programs. But it is all but guaranteed that \$5.3 billion will go to Israel and Egypt.

It is likely—but by no means certain—that another \$2.5 billion will be assigned to nations where there

THE CRUX OF THE DISPUTE

This chart, based on information from the State Department, compares the administration's FY 1987 request for foreign aid and the State Department to the budget package outlined by the Senate. The figures are in millions of dollars and are rounded.

Administration Total: \$22,636



are U.S. military bases (Greece, Turkey, Spain, Portugal and the Philippines), \$666 million to Pakistan and \$1.3 billion to Central America, all meeting the administration's requests. These programs have been close to sacred, but aid critics have threatened to cut them this year. They also asked on \$1 billion for the Export-Import Bank that the administration had zeroed out.

After that \$11 billion or so, the figures diverge widely. The Senate

would provide about \$6.7 billion and the House committee about \$6 billion for everything else, programs that the administration says require \$12.6 billion. These include aid to all other nations, international banks, the Peace Corps, narcotics control, the United Nations and all State Department functions, including a proposed \$1.1 billion start on the embassy security program the everyone has agreed is a top priority.